



YOUR VISION.
YOUR FUTURE.

Seniors Housing Demand and Supply Review

Draft July 2020



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SECTION 1 – INTRODUCTION

Executive Summary

The high-level analysis in this Review indicates that there is currently sufficient supply for projected demand for both seniors housing (independent living units) and residential aged care facilities.

Hornsby Shire is accommodating demand from both within the Shire and surrounding areas and if Council was provided time to undertake strategic work to inform its own local strategy for seniors housing, it would not be detrimental to supply.

This is based on underlying demand (the theoretical need for seniors housing based on demographic projections and government policy). The preparation of a local strategy for seniors housing would need to more closely investigate effective demand (the size, type, levels of care that people are able to access, waiting times, etc). A strategy would also look at qualitative aspects of housing supply including the preferences of our residents for the different housing types.

The figures also indicate that up to 80-90% of our population aged over 65 will never live in seniors housing or residential aged care facilities. Therefore, planning for Hornsby Shire's growing 65+ population should look at the effective demand and appropriate locations for independent seniors living units and aged care facilities, as well as other housing options outside age-segregated seniors living.

This Review demonstrates that Council should be provided a temporary exemption from the application of *State Environmental Planning Policy (Housing for Seniors or People with Disability) 2004* in our rural areas and an extension of the temporary exemption from application in our Heritage Conservation Areas while a local seniors strategy is prepared as these exemptions would not be detrimental to overall supply.

Background

For more than a decade, Hornsby Council has raised concerns that *State Environmental Planning Policy (Housing for Seniors or People with Disability) 2004* (Seniors SEPP) overrides Council's local planning controls and permits seniors housing developments in various locations, including low density heritage conservation areas and rural zoned land in some circumstances.

The strategic planning framework for the Greater Sydney Region has fundamentally changed since the Seniors Housing SEPP was introduced in 2004. In March 2018, the Greater Sydney Region Plan and North District Plan were finalised. These Plans have culminated in all Council's adopting Local Strategic Planning Statements, prepared in consultation with local communities, having regard to unique environmental, social and economic opportunities and constraints.

Council is seeking the opportunity to undertake strategic planning and local place-based planning for its seniors and people with a disability, rather than the ad-hoc planning outcomes resulting from the Seniors Housing SEPP. Council has requested an extension of the temporary exemption of the Seniors Housing SEPP from application in Heritage Conservation Areas in Hornsby Shire and an immediate temporary exemption of the Seniors SEPP from application in our rural areas.

This Review has been prepared to support these requests and provides a high-level analysis of supply numbers and underlying demand (the theoretical need for seniors housing based on demographic projections and government policy). It is intended to inform the preparation of a planning strategy for seniors housing which would need to more closely investigate effective demand (the size, type, levels of care, etc that people are able to access).

Objectives

The objectives of the *Seniors Housing Demand and Supply* Review are to:

- Establish the existing provision of Residential Aged Care Facility (RACF) bed places, Seniors Independent Living Units and other housing choices for seniors in Hornsby Shire;
- Report on future needs and the planned number of RACF bed spaces and Seniors Independent Living Units;
- Review supply pipeline, demographic projections and key trends;
- Identify and analyse older Australians' housing preferences and choices outside the age segregated 'Seniors Housing' market; and
- Provide recommendations for Council's consideration on State Government advocacy and the preparation of a planning strategy for seniors housing.

Methodology and References

The Review includes research and analysis of:

- the projected senior cohort population for Hornsby to 2036;
- what is needed now, and in the future – current and future provision and projected demand using demographic data, population projections and appropriate, evidence-based penetration rates (% of market consuming the service);
- what is in the pipeline – future RACFs places and Seniors Independent Living Unit numbers from a review of Development Applications (DAs) and Site Compatibility Certificates (SCCs);
- what other housing types and options older Australians want – from a broad review of articles and research;
- housing choice and key development and market trends.

The Review does not include:

- primary research or interviews with providers;
- a break-down on the different levels of care within RACFs; or
- commentary on the level of demand for those individual levels of care within RACFs.

The Review references the *NSW Department of Planning, Industry and Environment* (DPIE) population data and projections as well as *.id Hornsby Shire Population Projections Report, 2016-2036* (April 2019).

Further references include:

The investigation into the cumulative impacts of Seniors Housing in the rural areas of The Hills and Hornsby local government areas, Greater Sydney Commission, November 2019;

Funding and Financing of the Aged Care Industry Report - July 2019 Australian Government Aged Care Planning Authority);

National Overview of the Retirement Village Sector, Property Council of Australia/Grant Thornton 2014

Retirement Census November 2018, Pricewaterhouse Coopers (PwC) and the Property Council of Australia

Retirement Census Snapshot November 2019, Pricewaterhouse Coopers (PwC) and the Property Council of Australia

Royal Commission into Aged Care Quality and Safety, Interim Report, October 2019

Report on the Operation of the Aged Care Act 2018-19 Australian Government Department of Health, November 2019.

Web based Sources:

www.myagedcare.gov.au

<https://www.gen-agedcaredata.gov.au>, <https://www.agedcarequality.gov.au/providers/residential-services>,

<https://www.agedcareguide.com.au/retirement-villages> <https://www.agedcareonline.com.au/retirement-villages/new-south-wales> <https://www.dailycare.com.au/aged-care-facilities/nsw>

Definitions

Seniors SEPP - *State Environmental Planning Policy (Housing for Seniors or People with Disability) 2004*

Seniors – the SEPP definition is people over the age of 55. The focus of this Review is persons over age 65 as this is the current common retirement age.

Seniors Housing – a range of housing types from hostels to self-contained dwellings used permanently for seniors or people with a disability.

Residential Aged Care Facilities (RACFs) – a specific type of Seniors Housing that provides 24-hour care and accommodation for older people who are unable to continue living independently in their own homes and need assistance with everyday tasks. Supply and Demand measured in bed spaces.

Seniors Independent Living Development – a village, apartment-like building, villa complex or similar, built specifically to supply Seniors Independent Living Units.

Seniors Independent Living Units - self-contained dwellings used permanently for seniors or people with a disability who live independently and do not need assistance with everyday tasks. Demand and supply measured in dwelling numbers.

Retirement village – a multi dwelling complex specifically designed for seniors aged 55 years and over. Many include health, leisure and support services in landscaped grounds. (RACFs excluded though residents may have private 'in home' care).

Baby Boomer – a term that describes people born 1946-1965. They began to retire around 2011 and are considered culturally and financially distinctive from the current seniors population (born before 1946 – now aged 74+)

SECTION 2 – SENIORS POPULATION AND HOUSING PROJECTIONS

Seniors

Seniors are defined in the Seniors SEPP as aged 55 years or older. Seniors housing under the SEPP is defined as residential accommodation that is, or is intended to be, used permanently for seniors or people with a disability consisting of a residential care facility, a hostel, a group of self-contained (independent living) units or a combination of these.

However, the age of a senior varies according to the source. To obtain a NSW Government seniors card you must be 60 years or over¹. To be eligible for an Australian Government age pension you must be 65 years and six months or older². Statistics indicate that the number of people aged between 55 and 70 who enter a form of seniors housing is very low. The average age of an Australian entering residential aged care is 83.4 years³ and the average age of entry into seniors housing or retirement villages is 75 years⁴.

Given the above, the focus of this Review is seniors aged over 65 years.



83.4 years

Australian average age
entering residential
aged care



75 years

Australian average entry age
into seniors housing /
retirement village

¹ Seniorscard.nsw.gov.au

² Ato.gov.au

³ Royal Commission into Aged Care Quality and Safety, Interim Report, October 2019

⁴ Retirement Census Snapshot November 2019, Pricewaterhouse Coopers (PwC) and the Property Council of Australia

Population Projections

In April 2019, Council endorsed the *Hornsby Shire Population Projections Report 2016-2036* by .id the Population Experts. The report provides population and household forecasts to 2036 and includes specific information about Hornsby's seniors population, housing choice, the demand for residential aged care beds and the future of Hornsby Shire as a supplier of Seniors Independent Living Units to the surrounding area.

The NSW Department of Planning, Industry and Environment (DPIE) also released population projections in March 2019. The age structure in 2036 is considerably younger in the .id forecasts than those from DPIE, due to migration assumptions where the .id report forecasts a greater gain of younger adults and a larger loss of retirees⁵.

Reasons for difference between Council's .id projections and the NSW DPIE projections include:

- The DPIE projections are a point-in-time estimate of the future NSW population based on assumptions for fertility, life expectancy and migration, developed from information known at the time of publication from Census data, various government departments and short-term forecasts of net overseas migration. The projections also use known new housing supply and infrastructure investments in Greater Sydney to assist distribute the projected future population across the city.
- The Hornsby .id projections are based on minimal changes to the current planning framework under the *Hornsby Local Environmental Plan (HLEP) 2013*, with the addition of two projects outlined in the Hornsby Local Strategic Planning Statement representing additional residential opportunities within the Hornsby Town Centre and development of Government land at Cherrybrook Station.

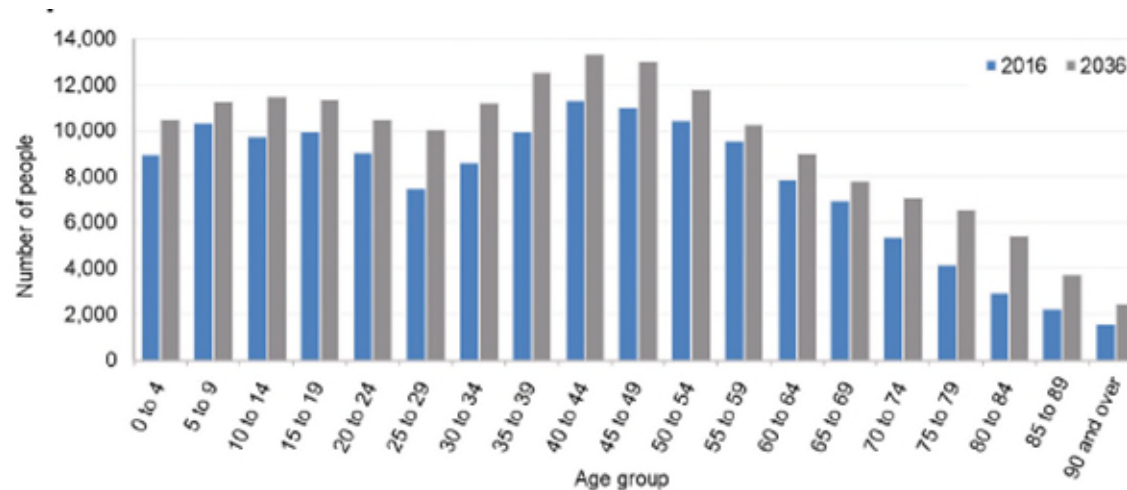
It is important to compare the State Government forecasts with Council's projections, as the information in this Review, if Council so resolves, would be used to seek exemptions from State Policy.

⁵ Hornsby Shire Population Projections Report, .id the population experts, 2019.

Seniors Population Statistics

Like most areas in NSW, Hornsby Shire is expected to have a large increase in older people. The graph below indicates large increases in persons aged 70-84 years driven by ageing of baby boomers, although the distribution of the population is forecast to remain relatively similar at 2036 compared to 2016.

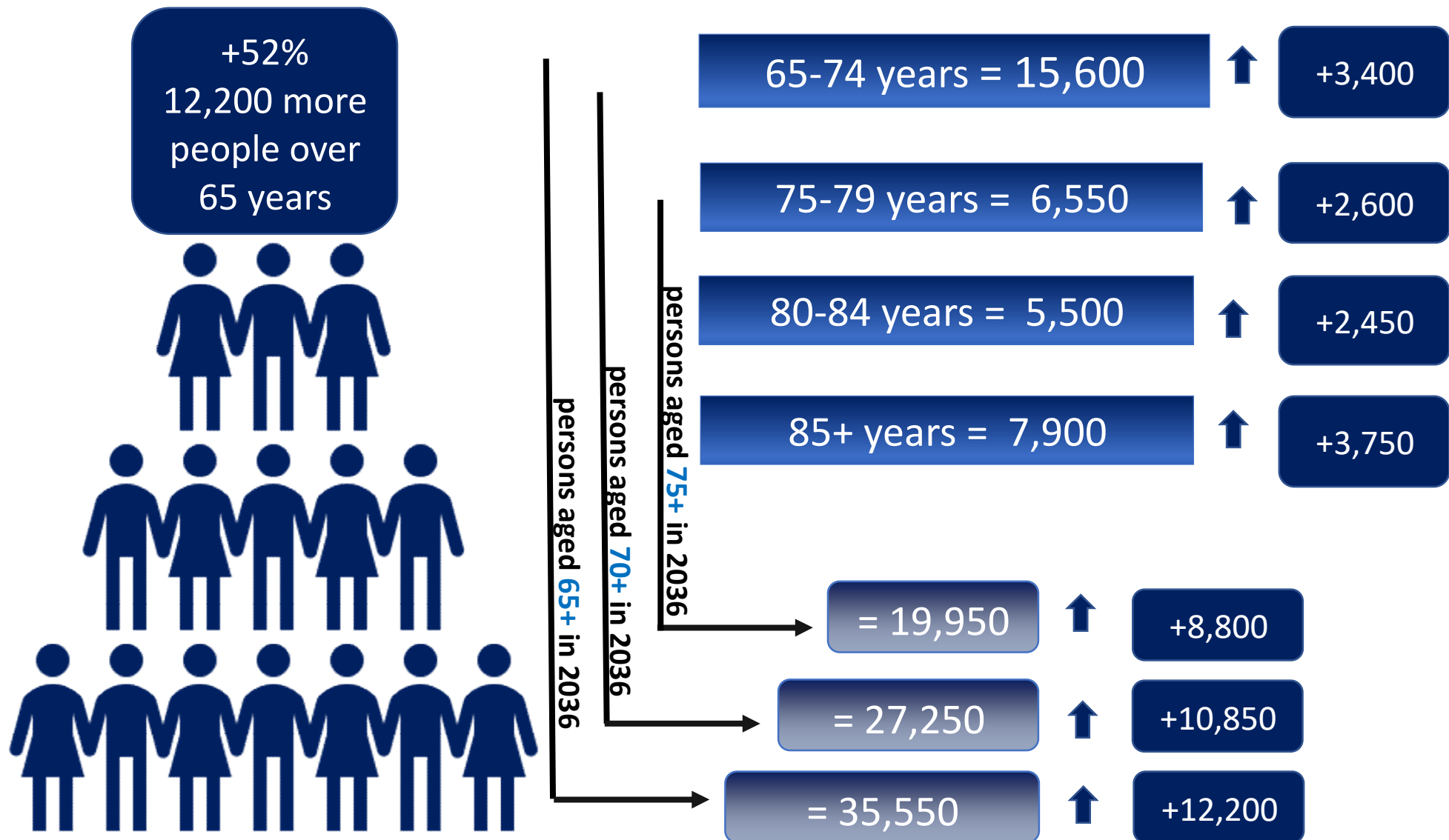
Population by age, Hornsby Shire 2016 and 2036



Source: .id, Hornsby Shire Forecasts (forecast.id), 2019

- The .id Hornsby population projection at 2036 for the over 65 age group is 33,109 (2,441 lower than the DPIE projections)
- The .id Hornsby projection for the age 75+ population group is 18,188 (1,762 lower than the DPIE projections)
- The graphics below utilise the higher DPIE figures of 35,550 (65+) and 19,950 (75+)

HORNSBY SHIRE 2016 - 2036



SECTION 3 – RESIDENTIAL AGED CARE FACILITIES

The Seniors SEPP differentiates between residential care facilities or hostels and self-contained dwellings. Under the SEPP, a residential care facility is residential accommodation for seniors or people with a disability that includes cleaning services, meals personal care and/or nursing care.

Other terms include aged care home, nursing home or residential aged care facility (RACF).

RACFs in Hornsby Shire

- At the 2016 Census, there were 1,858 residents in RACFs in Hornsby Shire.
- The Aged Care Service List at 30 June 2016 identified 1,987 RACF bed places within the Shire.

The Northern Sydney Health Network Needs Assessment indicated that there were 15 RACFs in Hornsby Shire in 2016 (based on the 2016 Census). However, this figure does not include 4 facilities in Wahroonga, which were incorrectly attributed to the Ku-ring-gai Local Government Area.

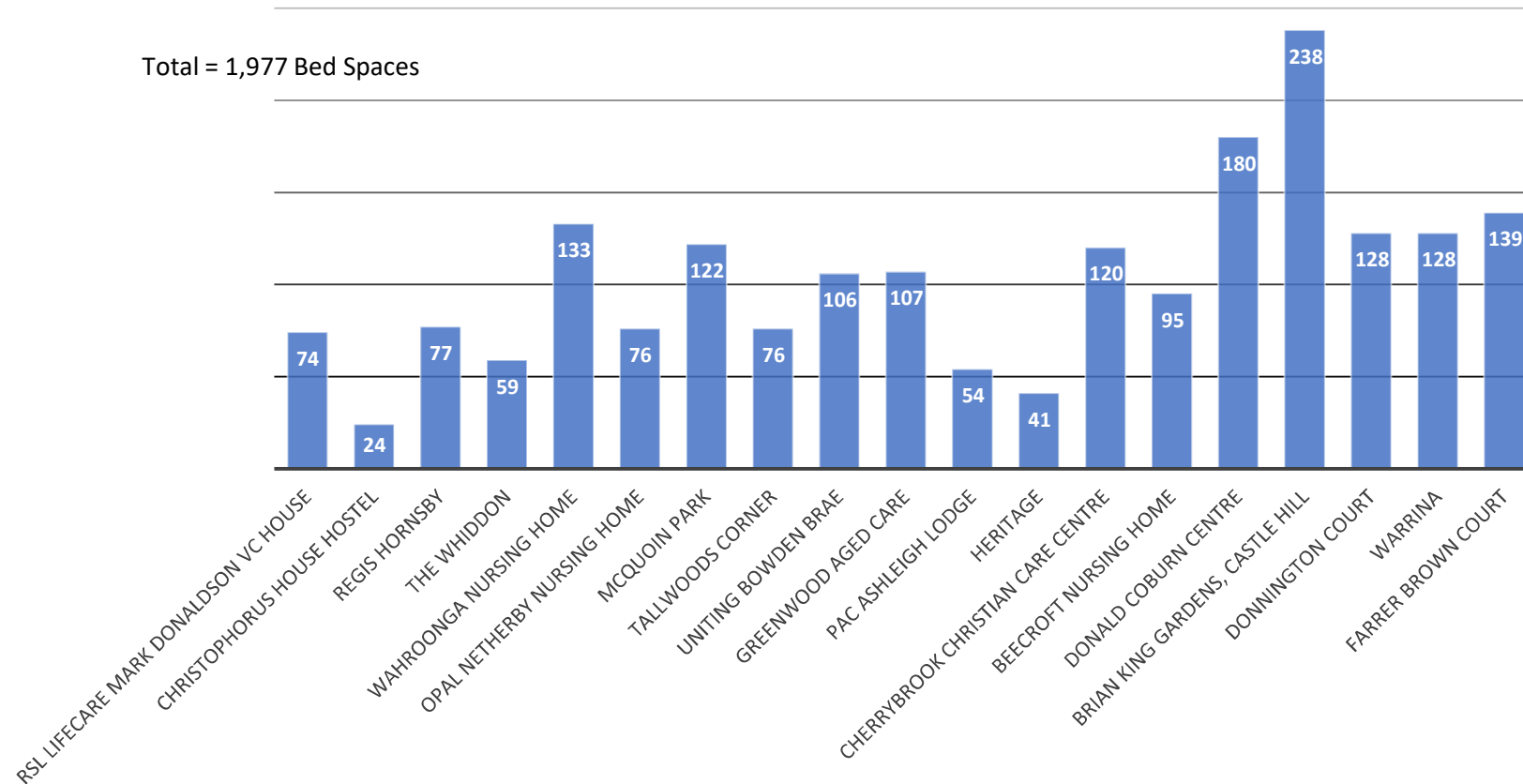
Of the adjusted total of 19 facilities in Hornsby Shire at the 2016 Census, 3 have subsequently closed – Woodlands at Cherrybrook and Judy Cameron House and Jamieson House both at Beecroft. However, increased capacity at Catholic Healthcare McQuoin Park has come on-line.

The reasons for closures included bushfire risk (Woodlands - 2 Kitchener Road Cherrybrook), potential redevelopment - Judy Cameron House (Chesalon) - 146 Beecroft Road, Beecroft and temporary redevelopment for Women's Crisis Care - Jamieson House, 8 York Street, Beecroft.

The GSC Investigation report identifies 2,039 existing aged care beds within Hornsby Shire at June 2018. Council research identifies 1,977 beds at June 2019 as follows:






- 10 RACFs have over 100 beds and 9 have fewer than 100 beds.
- The smaller facilities are in Beecroft and Hornsby and there is one RACF in the rural area.
- Castle Hill has 41% of the total beds within Hornsby Shire, primarily within the 5 RACFs in the Anglicare Village.
- Normanhurst has 11% of the beds within the Greenwood and Bowden Brae RACFs.

Beds Available in Existing Residential Aged Care Facilities in Hornsby Shire

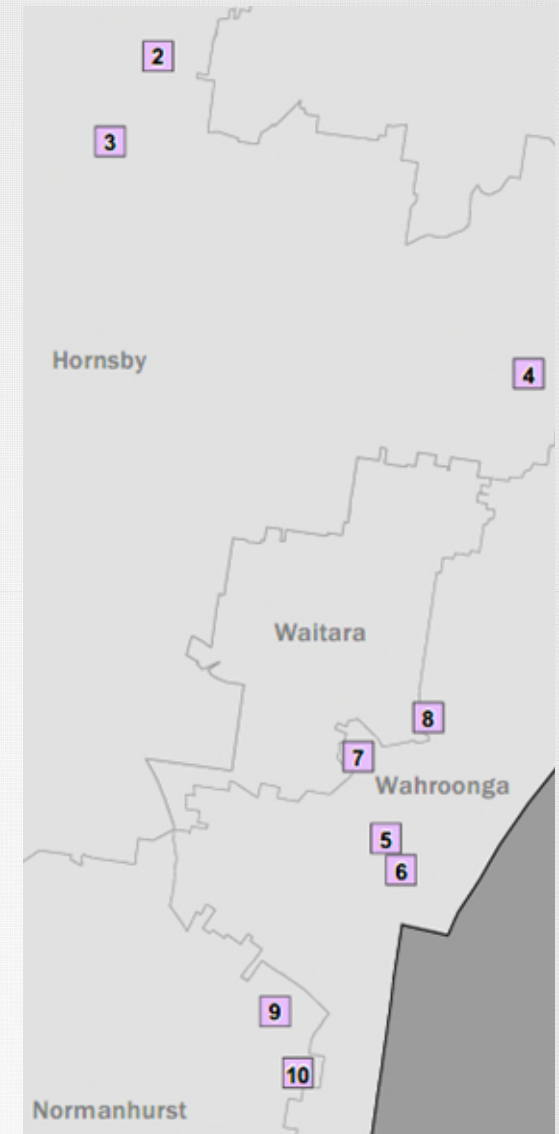
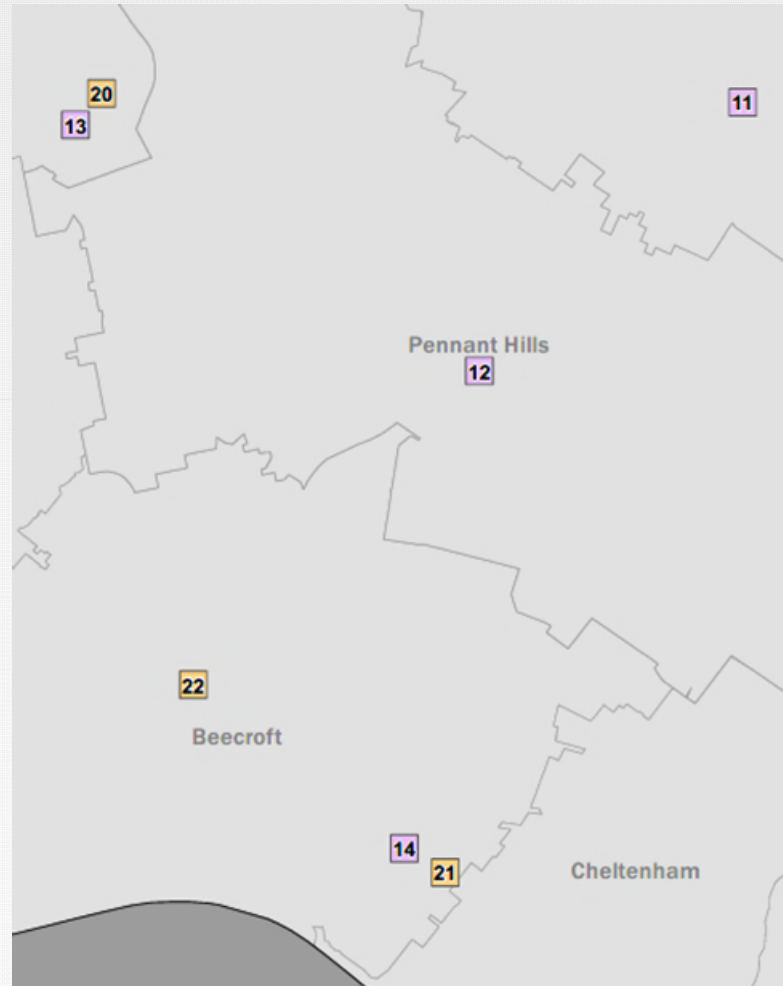


**1,977 aged care beds
in 19 existing facilities**

Residential Care Facilities

-  Closed
-  Existing
-  Shire Boundary
-  Adjacent LGA
-  Suburb Boundary

3 existing facilities
closed (244 beds)



1,977 aged care beds in 19 existing facilities

Existing Aged Care Facilities

Number on Map	Location	Suburb
1	RSL LifeCare Mark Donaldson VC House, 301 Galston Rd	Galston
2	Christophorus House Hostel, 396 Peats Ferry Rd	Hornsby
3	Regis Hornsby, 245-247 Peats Ferry Rd	Hornsby
4	The Whiddon, 2 Lowe Rd	Hornsby
5	Wahroonga Nursing Home, 2 Woolcott Ave or 31 Pacific Hwy	Hornsby
6	Opal Netherby Nursing Home, 17 Pacific Hwy	Wahroonga
7	Catholic Healthcare McQuoin Park, 32 McAuley Pl or 35 Pacific Hwy	Wahroonga
8	Tallwoods Corner, I Myra St	Wahroonga
9	Uniting Bowden Brae, 9 Jasmine Rd or 40-50 Pennant Hills Rd	Normanhurst
10	Greenwood Aged Care, 9-17 Hinemoa Ave	Normanhurst
11	Presbyterian Aged Care (PAC Ashleigh Lodge), 3 Hillmont Ave	Thornleigh
12	Heritage, 2A The Crescent	Pennant Hills
13	Cherrybrook Christian Care Centre, 3-5 Kitchener Rd	Cherrybrook
14	Beecroft Nursing Home, 134 Beecroft Rd	Beecroft
15	Donald Coburn Centre, Blue Gums Way	Castle Hill
16	Brian King Gardens, Hilliard Drive	Castle Hill
17	Castle Hill Village, Donnington Court, Flinders Village, 284 David Rd, Clarke Dr	Castle Hill
18	Castle Hill Village, Warrina Village Hostel, 146-200 David Rd	Castle Hill
19	Castle Hill Village, Farrer Brown Court, Nuffield Village, 284 David Rd, Gough Dr	Castle Hill
20 (closed)	Woodlands Residential Care, 2 Kitchener Rd	Cherrybrook
21 (closed)	Anglicare Judy Cameron House (previously Chesalon), 146 Beecroft Rd	Beecroft
22 (closed)	Jamieson House, 8 York St or 46 Hannah St	Beecroft

RACF Trends



occupancy rates
declining

91.8% in 2016-17

90.3% in 2017-18

89.4% in 2018-19



83.4 years

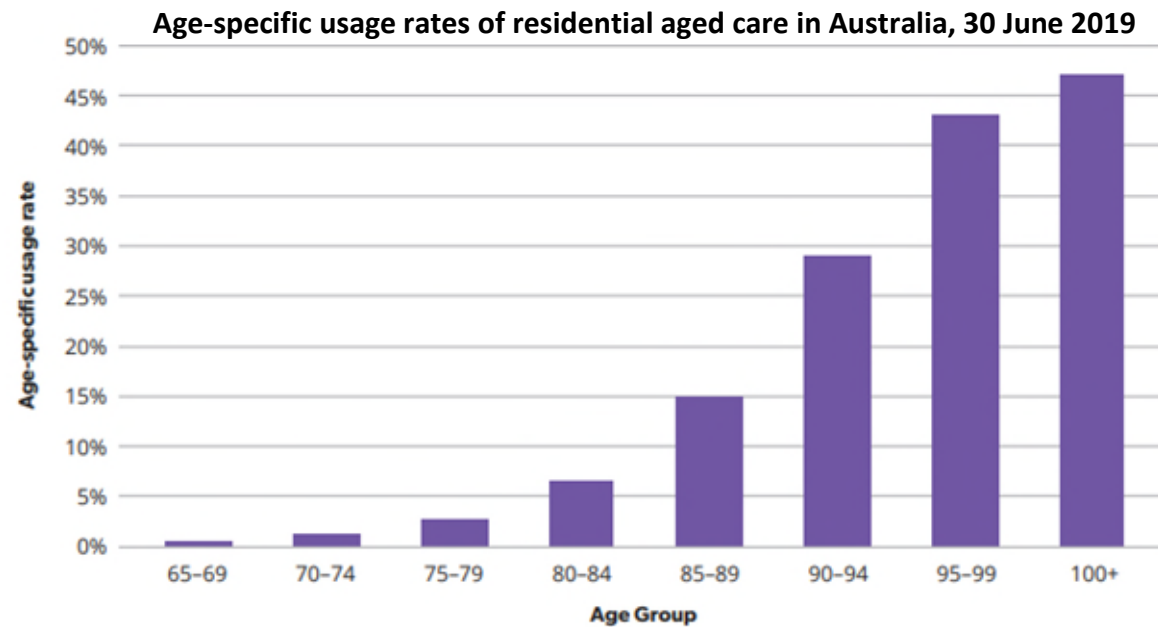
Australian average
age entering
residential aged care



4.6%

Australian proportion
of 65+ entering
residential aged care

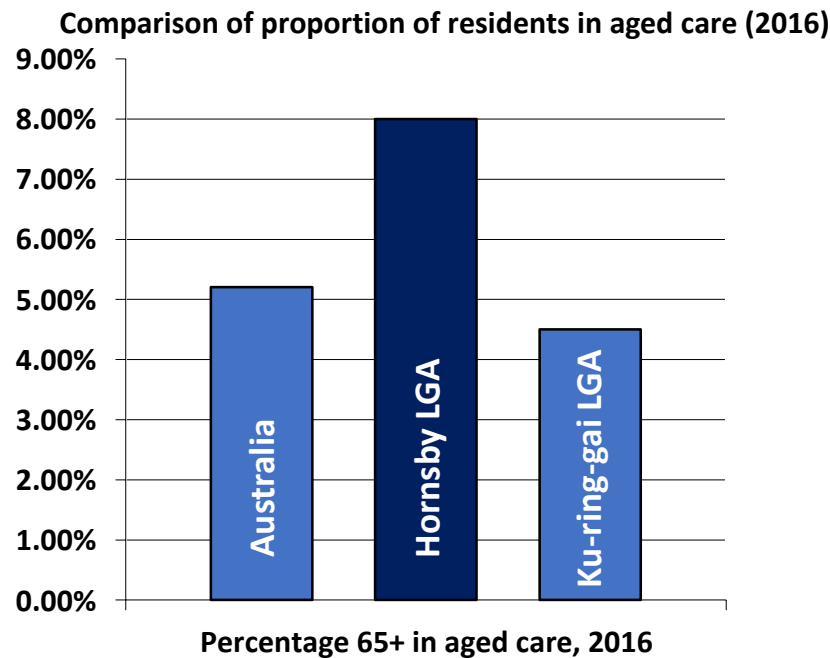
- The *Royal Commission into Aged Care Quality and Safety, Interim Report, October 2019* identified that the average age for entering a RACF in Australia is 83.4 years.
- The percentage of older people living in RACFs increases steadily after age 85.
- There has been a steady overall decline in RACF occupancy rates in recent years⁶, suggesting the increasing use of 'Home Care' packages.



Source: 2018-19 Report on the Operation of the Aged Care Act 1997

⁶ Eighth Report on the Funding and Financing of the Aged Care Industry – May 2020 (Aged Care Financing Authority)

- In 2016, 5.2% of older Australians aged 65+ lived in care accommodation⁷.
- In 2018, this decreased to a smaller proportion of 4.6%⁸.
- As a comparison to the 2016 Sydney benchmark of 5.2%:
 - In 2016, 4.5% of Ku-ring gai local government area residents aged 65+ lived in aged care.⁹
 - In 2016, 8% of Hornsby local government area residents aged 65+ lived in aged care.



⁷ ABS 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings, 2016

⁸ ABS 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings, 2018

⁹ Ku-ring-gai Council Housing Needs Study 2016 – 2036, Elton Consulting 2020

Hornsby Shire's Supply Role

In 2016, there were 8% of Hornsby residents aged 65+ in aged care accommodation, more than the Australian benchmark and reflecting the role of Hornsby Shire in providing capacity for surrounding areas.

The Commonwealth Government funds subsidies for bed places in a range of residential aged care facilities as well as Home Care packages. This is known as the Aged Care Provision Target Ratio (the Ratio), based on beds and home care packages per 1,000 people aged 70+.

In 2016, the Ratio was based on the provision of 79.7 residential beds per 1,000 people aged 70+. However, the ratio of aged care beds per 1000 residents aged 70+ in Hornsby Shire in 2016 was 114. When combined with the higher than metropolitan average share of population in older ages living in non-private dwellings, this indicates that the Shire attracts people from surrounding areas to its residential aged care services.

Historical population 70+ in residential aged care, Hornsby Shire 2006 – 2016

Aged care components	2006	2011	2016
Population 70+	12,848	14,428	16,279
Commonwealth Funding (Beds per 1,000 70+ pop)	86	85.8	79.7
'Normal' Commonwealth Funding (no. beds)	1,105	1,238	1,297
Hornsby Shire residents aged 70+ in aged care	1,952	2,144	1,858
Hornsby Funding ratio (based on normal funding)	177%	173%	143%

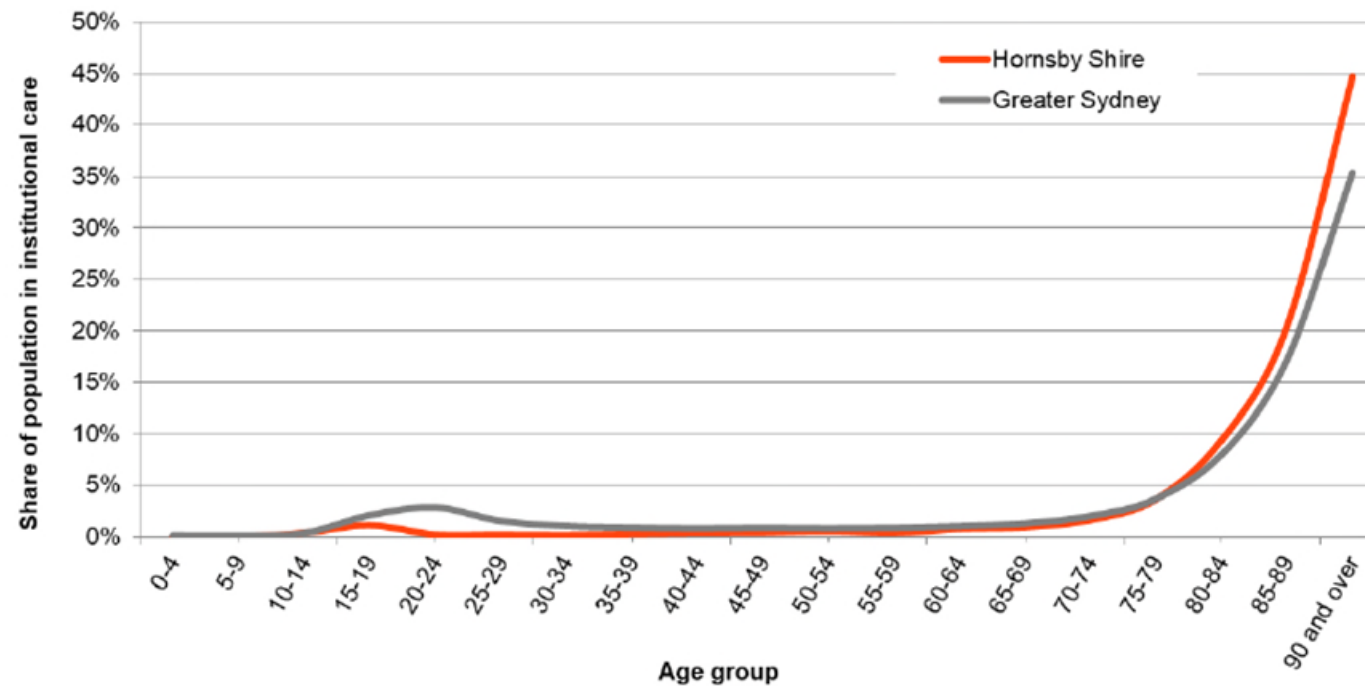
Source: .id, Homsby Shire Forecasts (forecast.id), 2019



79.7 / 1000 (70+)
National Aged Care Ratio

114 / 1000 (70+)
Hornsby Ratio

Share of Hornsby Shire population by age in dwelling types, 2016



Source: Hornsby Shire Population Projections Report, .id the population experts, 2019.

Commonwealth funding across Australia for residential aged care beds has been declining as a share of elderly persons, with more funding dedicated to home care packages¹⁰.

¹⁰ Hornsby Shire Population Projections Report, .id the population experts, 2019.

Currently, the Ratio is set at 125 places per 1,000 people aged 70 (78 residential care places, 45 home care package places and 2 restorative care places)¹¹. The 2017 Legislated Review of Aged Care report notes that increasing the availability of home care packages will continue to be a priority for the Department of Health and in contrast, residential aged care supply is growing more slowly. The Hornsby .id projections report extrapolates that the ratio will continue to fall to approximately 75 beds per 1,000 population by 2036.

¹¹ Legislated Review of Aged Care 2017 Report (Department of Health)

Projected Future Demand

Should Hornsby Shire continue its role as a provider of residential aged care and provide capacity for its own population as well as older persons in surrounding areas, the following methodology could be used to determine a future demand range for RACF beds.

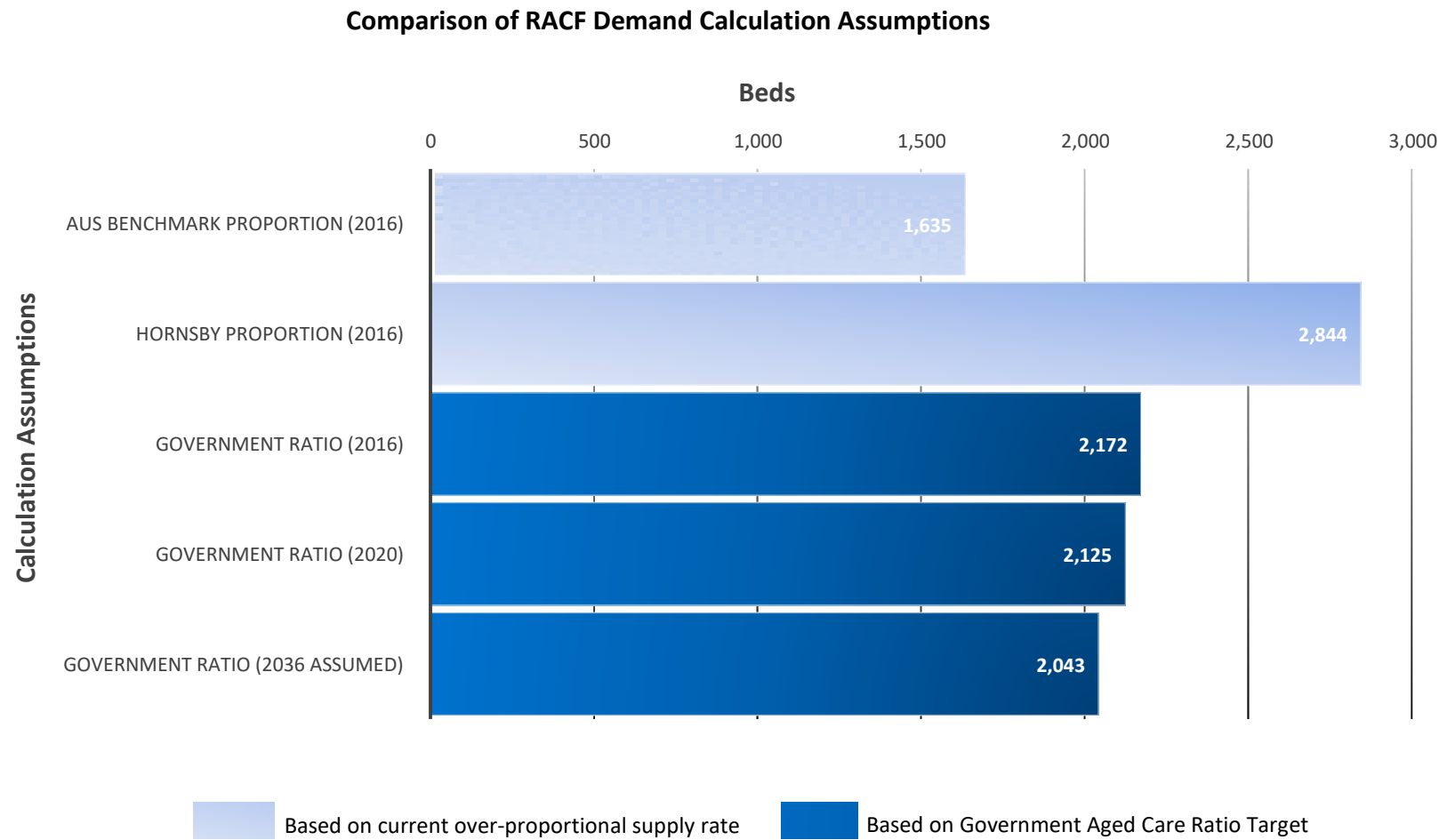
- a. Apply the 2016 Australian benchmark of 5.2% of population aged over 65 living in aged care to 2036 projections
 - i. $5.2\% \times 35,550$ (DPIE forecast) = 1,635
- b. Apply the 2016 Hornsby proportion of 8% of population aged over 65 living in aged care to 2036 projections
 - ii. $8\% \times 35,550$ (DPIE forecast) = 2,844

These calculations indicate that Hornsby Shire would need to plan for providing between 1,635 and 2,844 RACF beds by 2036 as indicated in light blue on the graph below.

The following methodology sets out a future demand range which would align Hornsby Shire with the Government Ratio for RACF beds.

- a. Use 2016 Government Ratio of 79.7 beds/1,000 population aged 70+ for 2036 projections
 - i. $7.97\% \times 27,250$ (DPIE forecast) = 2,172
- b. Use current Government Ratio of 78 beds/1,000 population aged 70+ for 2036 projections
 - ii. $7.8\% \times 27,250$ (DPIE forecast) = 2,125
- c. Use 2036 Government Ratio (assumed) of 75 beds/1,000 population aged 70+ for 2036 projections
 - iii. $7.5\% \times 27,250$ (DPIE forecast) = 2,043

These calculations indicate that a reasonable expectation for Hornsby Shire would be to plan for providing between 2,043 and 2,172 RACF beds 2036 as indicated in dark blue on the graph below.



Projected Future Supply

The *.id Hornsby* report estimates an additional 679 aged care residents by 2026. However, due to uncertainty over the review of the Seniors housing SEPP and to demonstrate what would occur if Council was granted an exemption from the Seniors Housing SEPP, the projections assume no increase in residential aged care beds from 2026 - 2036.

The GSC Investigation report¹² identifies a development pipeline of known proposals that would provide an additional 681 RACF beds within Hornsby Shire. However, Council research indicates that Site Compatibility Certificates for two of the listed proposals have since been refused and one has already been completed and counted in existing supply, reducing the total pipeline to 408.

In addition to the 408 additional beds, Council research indicates that the following proposals should also be added to the projected development pipeline, bringing the total to 581 additional beds.

- Judy Cameron House (Chesalon) assumed re-opening (79 beds);
- Kilvinton Village RACF (Castle Hill Road, Castle Hill) – (94 beds). The DA/315/2019 was refused in late 2019 for character and scale reasons and is the subject of a current appeal in the NSW Land and Environment Court. For the purposes of this review, it is assumed that some form of facility will be acceptable in this location subject to a satisfactory proposal addressing the issues raised by Council.

The estimated bed place total number does not include where Site Compatibility Certificates or DAs have been refused or withdrawn. If these were approved, an additional 340 bed spaces could be provided.

¹² Impact into the cumulative impacts of Seniors Housing in the rural areas The Hills and Hornsby LGAs, 2019, Greater Sydney Commission





581 aged care beds additional future supply

Number on Map	Location	Suburb
1	Seniors Living, 461-473 Pacific Hwy	Asquith
2	589-593 Old Northern Rd	Glenhaven
3	705-717 Old Northern Rd	Dural
4	3 Quarry Rd & 4 Vineys Rd*	Dural

2,558
spaces

(1,977 existing +
581 additional future)

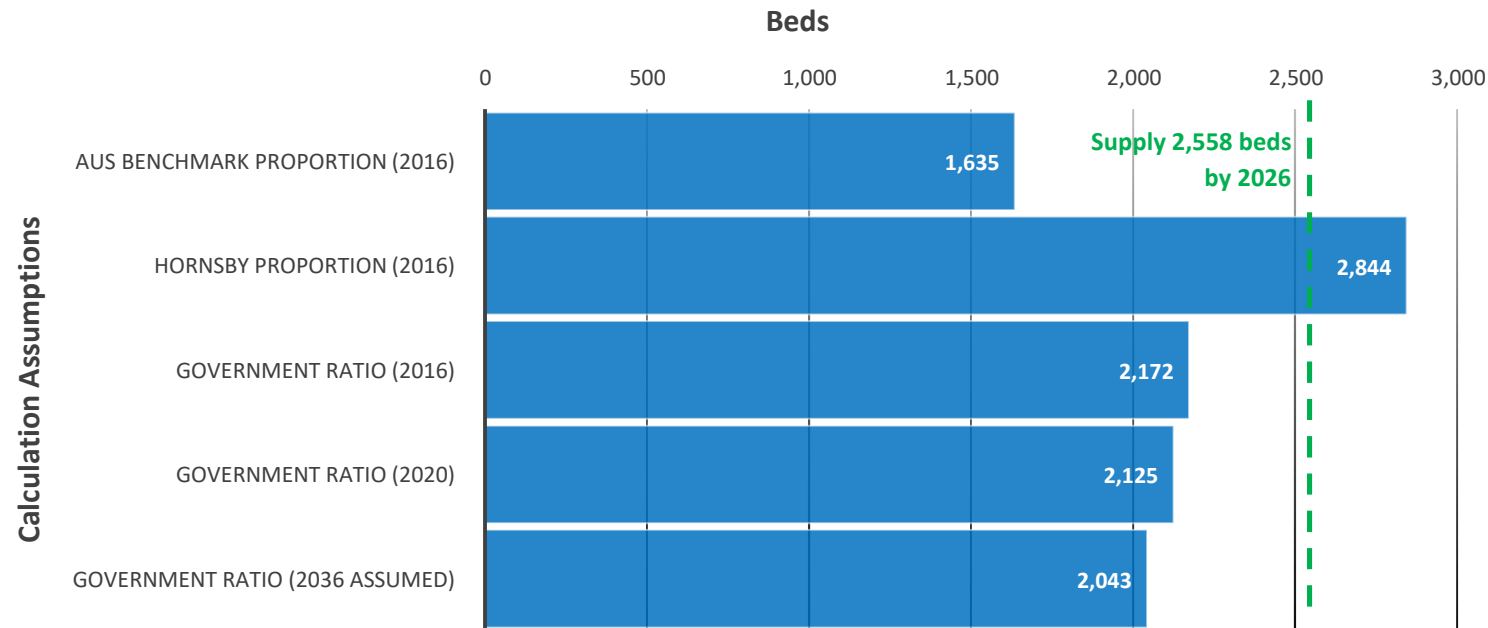
Residential Care Facilities

	Future
	Shire Boundary
	Adjacent LGA
	Suburb Boundary

*Note, the above figures include an estimate of 74 beds for Nos. 3 Quarry Road and 4 Vineys Road, Dural. This site is the subject of current Court action and Council maintains the view that development of the site is inappropriate for seniors housing for a number of reasons including inconsistency with the character of the rural area. However, an allocation of numbers of beds has been included for the site for the purposes of this Review consistent with the adopted methodology as a new SCC has recently been issued for the site by the DPIE. Inclusion of this site should not be taken as agreement by Council of the suitability of the site for seniors housing.

Key Findings

- At the end of 2019, there were 19 RACFs providing 1,977 bed places in Hornsby Shire.
- By 2026, there will be 2,558 bed places within RACFs in the Shire.
- Further projections beyond 2026 have not been calculated, due uncertainty over the review of the Seniors SEPP and to demonstrate what would occur if Council was granted an exemption from the Seniors Housing SEPP.
- The number of projected RACF beds in Hornsby Shire in 2026 will exceed the Aged Care Provision Target Ratio in 2036 based on past, current and future ratios (by between 386 and 515 beds).



- The 'home care' emphasis shift is likely to result in a greater proportion of frail aged persons remaining at home longer – mostly either in a private residence or an independent unit in a 'Seniors Housing' development.

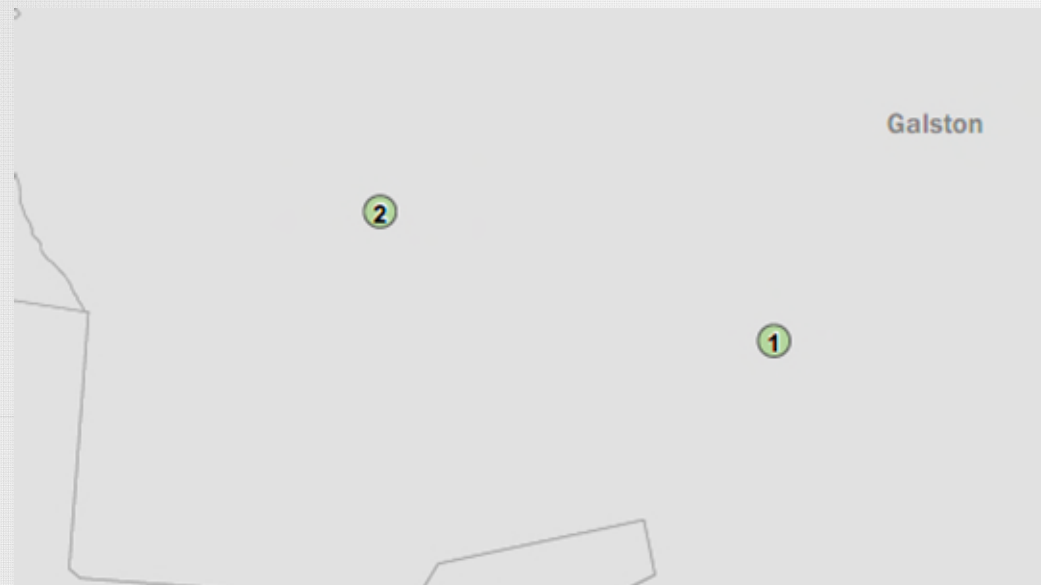
SECTION 4 – SENIORS INDEPENDENT LIVING UNITS

The Seniors SEPP defines seniors independent living units as self-contained dwelling or self-care housing in a dwelling or part of a building (other than a hostel), whether attached to another dwelling or no, which houses seniors or people with a disability, where private facilities for significant cooking, sleeping and washing are included in the dwelling or part of the building. Serviced self-care housing also includes the following services available on site: meals, cleaning services, personal care, nursing care.

Seniors Housing Units in Hornsby Shire

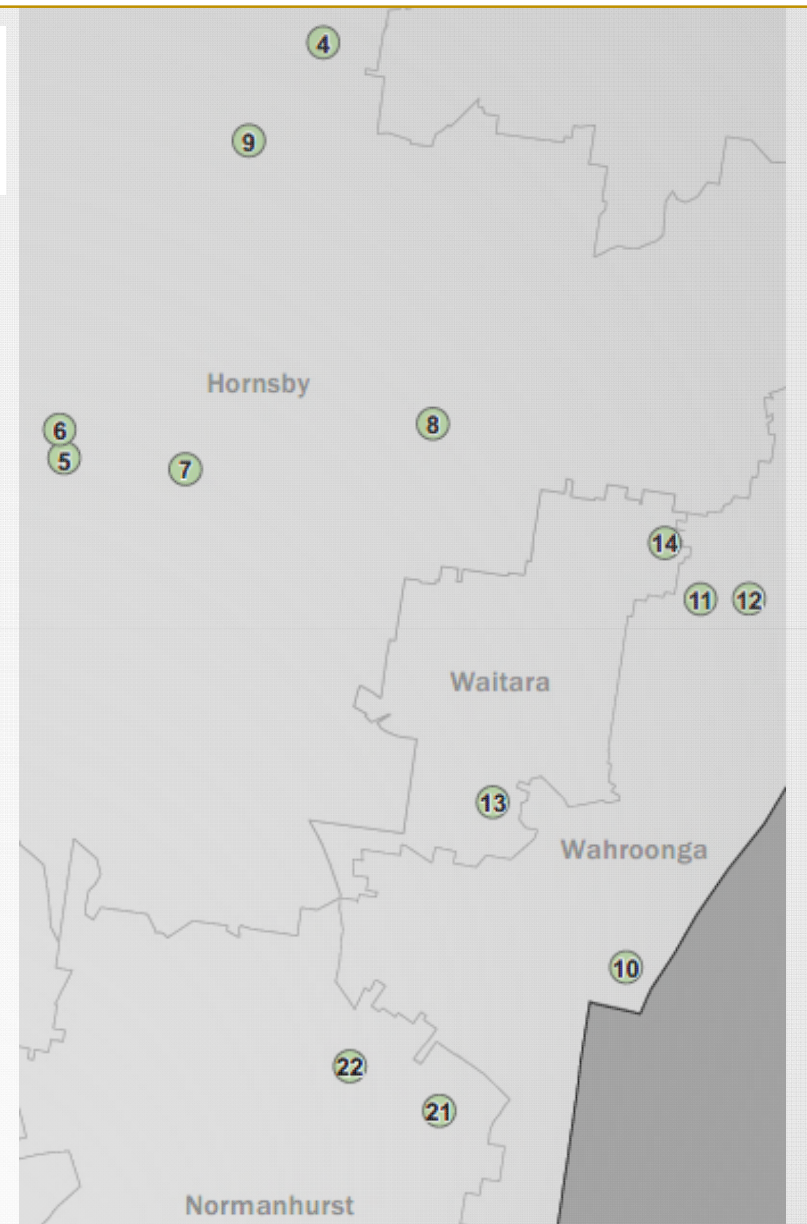
- Council research indicates that at December 2019, there were 2,239 Seniors Independent Living Units in Hornsby Shire within 41 Villages/Facilities.
- Most Independent Living Units (by number) are in the suburbs of Castle Hill and Cherrybrook (nearly 40%).
- The larger 'Seniors Housing' age segregated village/complex developments in Hornsby Shire are located on low density residential or rural zoned land on the urban fringe, indicating that large lots with a lower base land value are a key factor in achieving economies of scale and viability.
- Most of the smaller senior's developments are in well serviced low-density established residential areas where strong returns incentives are provided through the combination of lower base land values (R2 land) and the medium density dwelling yields achievable through the SEPP Seniors.

**2,239 seniors independent living units
in 41 existing villages/facilities**

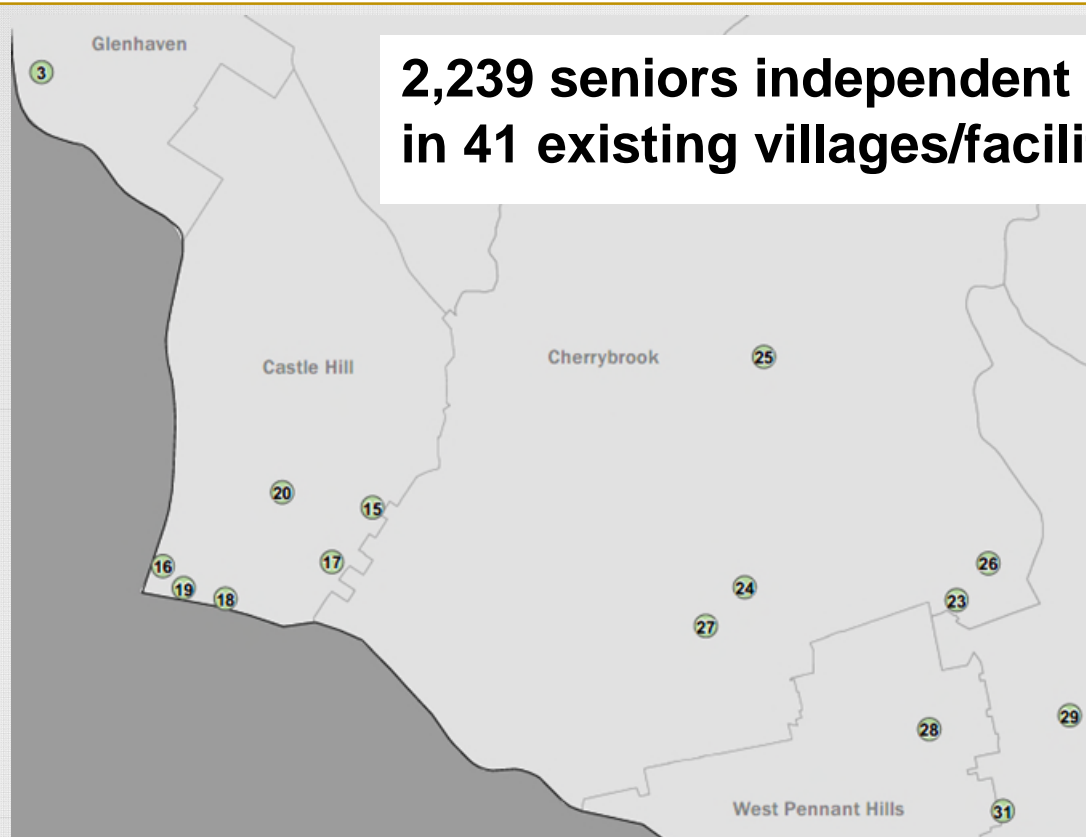


Independent Living Facilities

- Existing
- Shire Boundary
- Adjacent LGA
- Suburb Boundary

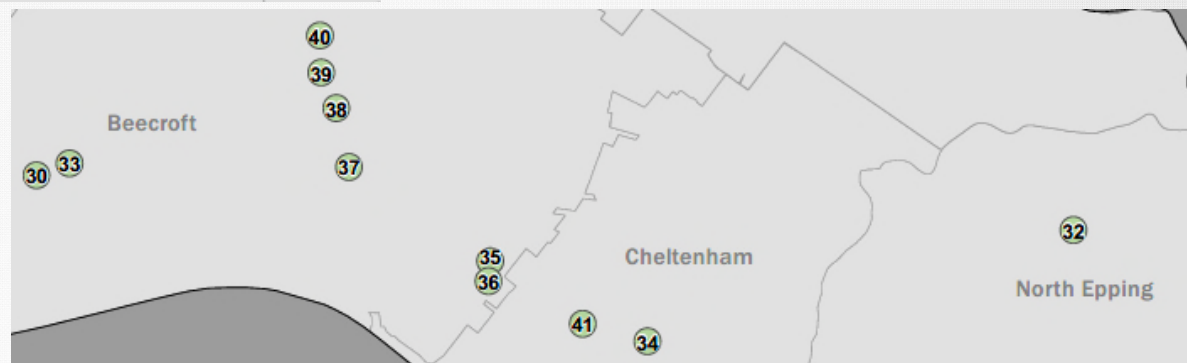


**2,239 seniors independent living units
in 41 existing villages/facilities**



Independent Living Facilities

- Existing
- Shire Boundary
- Adjacent LGA
- Suburb Boundary



2,239 seniors independent living units in 41 existing villages/facilities

Number on Map	Location	Suburb
1	Rowland Village (co-located with Mark Donaldson VC House), 301 Galston Rd	Galston
2	6-8 Glen St	Galston
3	Glenhaven Green, 599 - 607 Old Northern Rd	Glenhaven
4	Christophorus House Hostel (co-located with residential aged-care), 396-398 Peats Ferry Rd	Hornsby
5	Adventist Aged Care Hornsby, Azalea Court Self Care Units, 48-50 William St	Hornsby
6	Adventist Aged Care Hornsby, Camellia Court Self Care Units, 47-49 Dural St	Hornsby
7	Uniting Karinya, 1A Fredrick St or 22A William St	Hornsby
8	Primrose Court, 23-25 Muriel St	Hornsby
9	7-9 Silvia St	Hornsby
10	St Ermes Court, Retirement Village, 5-7 Isis St	Wahroonga
11	Kadimah Independent Living, 3-9 Jubilee St	Wahroonga
12	6-10 Collings St	Wahroonga
13	The Grange, 2 McAuley Pl	Waitara
14	20-22 Palmerston Rd	Waitara
15	Castle Hill Village, Hopetoun Village, 146-200 David Rd	Castle Hill
16	Castle Hill Village, Flinders Village, (includes Donnington Court RACF), 284 David Rd, Clarke Dr	Castle Hill
17	Castle Hill Village, Nuffield Village, (includes Farrer Brown RACF), 284 David Rd, Gough Dr	Castle Hill
18	Castle Hill Village, Mowll Village, 290-294 Castle Hill Rd	Castle Hill
19	Castle Hill Village, Kilvinton Village, 284 David Rd	Castle Hill
20	Castle Hill Village, Warrina Village, 146-200 David Rd	Castle Hill

2,239 seniors independent living units in 41 existing villages/facilities

Number on Map	Location	Suburb
21	Uniting Bowden Brae, 9 Jasmine Rd	Normanhurst
22	Bramblewood Retirement Village, 33 Denman Pde	Normanhurst
23	Elouera Gardens Retirement Village, 1-7 Kitchener Rd	Cherrybrook
24	RSL LifeCare Cherrybrook Gardens, 10 Casuarina Dr	Cherrybrook
25	RSL Lifecare The Lakes of Cherrybrook, 10 Kenburn Ave or 59-61 Macquarie Dr	Cherrybrook
26	Woodlands Village, 2 Kitchener Rd	Cherrybrook
27	125 New Line Rd	Cherrybrook
28	Uniting Mawarra, 3A Verney Dr or 70 Victoria Rd	West Pennant Hills
29	Lutanda Manor 14 Victoria Rd or 53-119 Boundary Rd	Pennant Hills
30	37 Copeland Rd	Beecroft
31	23 Thompson Cl	West Pennant Hills
32	Kooloora Retirement Village, 100-104 Boundary Rd	North Epping
33	49A, 51, 51A Copeland Rd (Eaton)	Beecroft
34	186 Beecroft Rd	Cheltenham
35	142-142A Beecroft Rd	Beecroft
36	14A-16 Murray St	Beecroft
37	Presbyterian Aged Care (PAC) Beecroft Retirement Village, 1 Mary St	Beecroft
38	Uniting Copeland Gardens, 129-131 Copeland Rd	Beecroft
39	Uniting Bramley, 7-11 Hannah St	Beecroft
40	64-64A Beecroft Rd	Beecroft
41	168 Beecroft Rd	Cheltenham

Seniors Housing Trends



75 years

Australian average
age entering seniors
housing



81 years

Australian average
age of residents



1.3

Occupancy rate

The Pricewaterhouse Coopers (PwC) and Property Council of Australia's *Retirement Census November 2018* notes:

- The average national occupancy rate is 89%
- Average tenure is 8-9 years (less in NSW – 6.9 years)
- The average age of residents is 81 years
- The average age of residents entering villages is 75 years
- The price of the average 2 bed Independent Living Unit (ILU) was 64% of the median house price across Australia and 44% in metropolitan Sydney

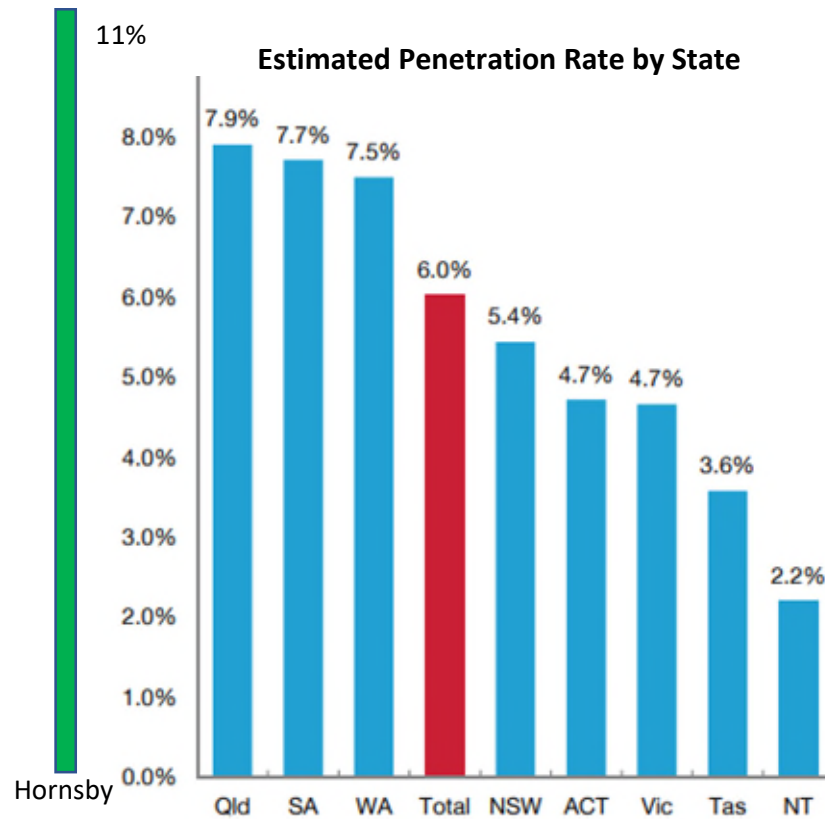
The SEPP Seniors Living Market Report prepared by JLL in 2019 to accompany the GSC Investigation Report¹³ identifies:

- A 6% penetration rate of seniors aged 65+ in retirement villages
- Approximately 1.3 people live in each retirement village unit

¹³ Impact into the cumulative impacts of Seniors Housing in the rural areas The Hills and Hornsby LGAs, 2019, Greater Sydney Commission

Hornsby Shire's Supply Role

- In 2019, there were 2,239 seniors living units in Hornsby Shire.
- Applying an occupancy rate of 1.3 people per unit, this equates to 11% of Hornsby Shire's over 65 population living in seniors housing in 2019.
- This is relatively high when compared with the average 6% penetration rate across Australia and is even higher than the QLD penetration rate which is the highest in Australia.



Source: Seniors Living Insight, 2017, Knight Frank

Projected Future Demand

- DPIE projections identify that an additional 12,200 people over 65 years are expected in Hornsby Shire between 2016 and 2036 (+52%), resulting in a total of 35,550 people 65+ by 2036
- It is estimated that the penetration rate across Australia is likely to increase to 7.5% by 2036¹⁴.
- Should Council continue its high penetration rate, the following methodology could be used to determine a future demand for seniors housing units
 - a. Apply the current Hornsby penetration rate of 11% of population aged over 65 living in aged care to 2036 projections

$$\text{i. } 11\% \times 35,550 \text{ (DPIE forecast)} / 1.3 \text{ occupancy} = 3,008$$

- The following methodology sets out a future demand range which would align Hornsby Shire with the estimated Australian penetration rate
 - a. Apply the estimated 2036 Australian penetration rate of 7.5% of population aged over 65 living in aged care to 2036 projections

$$\text{ii. } 7.5\% \times 35,550 \text{ (DPIE forecast)} / 1.3 \text{ occupancy} = 2,050$$

¹⁴ *Seniors Living Insight, 2017, Knight Frank*

- These calculations indicate that a reasonable expectation for Hornsby Shire would be to plan for providing between 2,050 and 3,008 seniors housing units by 2036.

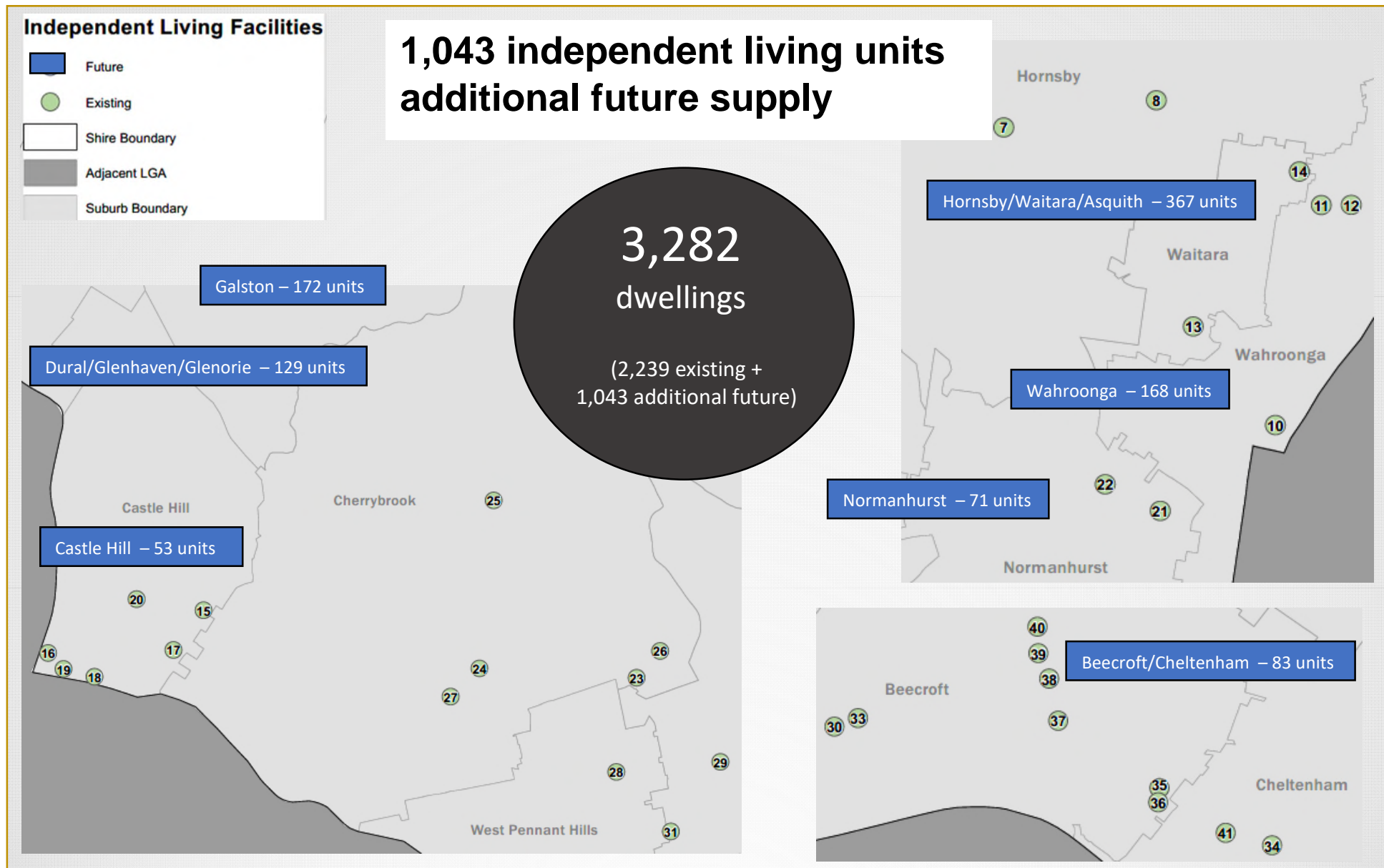
Projected Future Supply

The GSC Investigation report identifies a development pipeline of known proposals that would provide an additional 1,411 seniors housing units within Hornsby Shire. However, a number of the known proposals have since had Site Compatibility Certificates refused.

The .id Hornsby report estimates an additional 944 seniors housing units in Hornsby Shire by 2036.

Council research has identified an additional 99 dwellings which increases the total pipeline to 1,043.

- The estimated potential number of Seniors Independent Living Units in Hornsby at 2036 is 3,348.



Key Findings

- By 2036, the anticipated demand for over 65 Seniors Independent Living Units will be between 2,050 and 3,008 dwellings.
- Supply is anticipated to be 3,282 Seniors Independent Living Units.
- The numbers indicate an oversupply of between 274 and 1,232 dwellings by 2036.
- There will be adequate future provision of Seniors Independent Living Units in Hornsby Shire to 2036.
- The excess supply should provide for the likely extended stays in independent units 'home care' for frail aged may generate.
- Based on numbers identified in this Review, there is no need to develop planning strategies to stimulate Seniors Independent Living Unit supply in Hornsby to 2036. However, qualitative analysis of supply should be addressed including consideration of residents' preferences, appropriate locations and affordability.

SECTION 5 – LOCATION CONSIDERATIONS

Council's recent representations to the Minister for Planning and Public Spaces include:

- An immediate temporary suspension of the Seniors SEPP from the rural areas of the Hornsby local government area.
- An extension to the temporary exemption of State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 (Seniors SEPP) from application in Hornsby Shire's Heritage Conservation Areas to enable an evidence-based, endorsed position to be formed by Council.

Rural Areas

The Greater Sydney Commission (GSC) commenced an investigation into planning challenges with the Seniors SEPP in 2018, in response to representations made by The Hills and Hornsby Councils raising concerns with the proliferation of seniors housing developments in rural areas.

A report titled, Investigation into the cumulative impacts of Seniors Housing in the rural areas of The Hills and Hornsby local government areas, has been prepared by the GSC and submitted to the Secretary of DPIE.

In summary, the report finds that, although ageing is happening across NSW, the use of the Seniors Housing SEPP to develop rural land for seniors housing is concentrated in few LGAs. Close to 19% of SCC applications in NSW were made in Hornsby and The Hills areas between October 2009 and September 2018.

The report notes that SCC provisions lead to speculation as it provides a mechanism to increase the value of landholdings in rural areas before on-selling.

Seniors Housing Developments in Rural Areas & light industrial fringe



Seniors Housing Developments in Rural Areas & light industrial fringe

Existing

No. on Map	Name	Address
A	Rowland Retirement Village	301 – 305 Galston Road, Galston
B	Mark Donaldson VC House	301 – 305 Galston Road, Galston
C	Glenhaven Green	599-607 Old Northern Road, Glenhaven

Proposed

No. on Map	Address	Status of SCC
1	47 Cairnes Road, Glenorie	SCC Under consideration
2	394 Galston Rd & 5 Mid-Dural Rd, Galston	Additional SCC refused
3	328a & 330-334 Galston Rd, Galston	Additional SCC refused
4	705-717 Old Northern Rd, Dural	SCC approved
5	795-821 Old Northern Rd, Dural	SCC refused
6	3 Quarry Rd & 4 Vineys Rd, Dural	Additional SCC issued
7	663-667 Old Northern Rd & 4 Franlee Rd, Dural	SCC refused
8	589-593 and 599-607 Old Northern Rd, Glenhaven	SCC approved
9	232 New Line Rd, Dural	N/A (DA approved)

Heritage Conservation Areas

In February 2019, the Seniors Housing SEPP was suspended from applying to Heritage Conservation Areas until 1 July 2020. The Department's website states that *'the change offers councils time to ensure seniors housing provisions align with their local strategic plans which are currently under review'*.

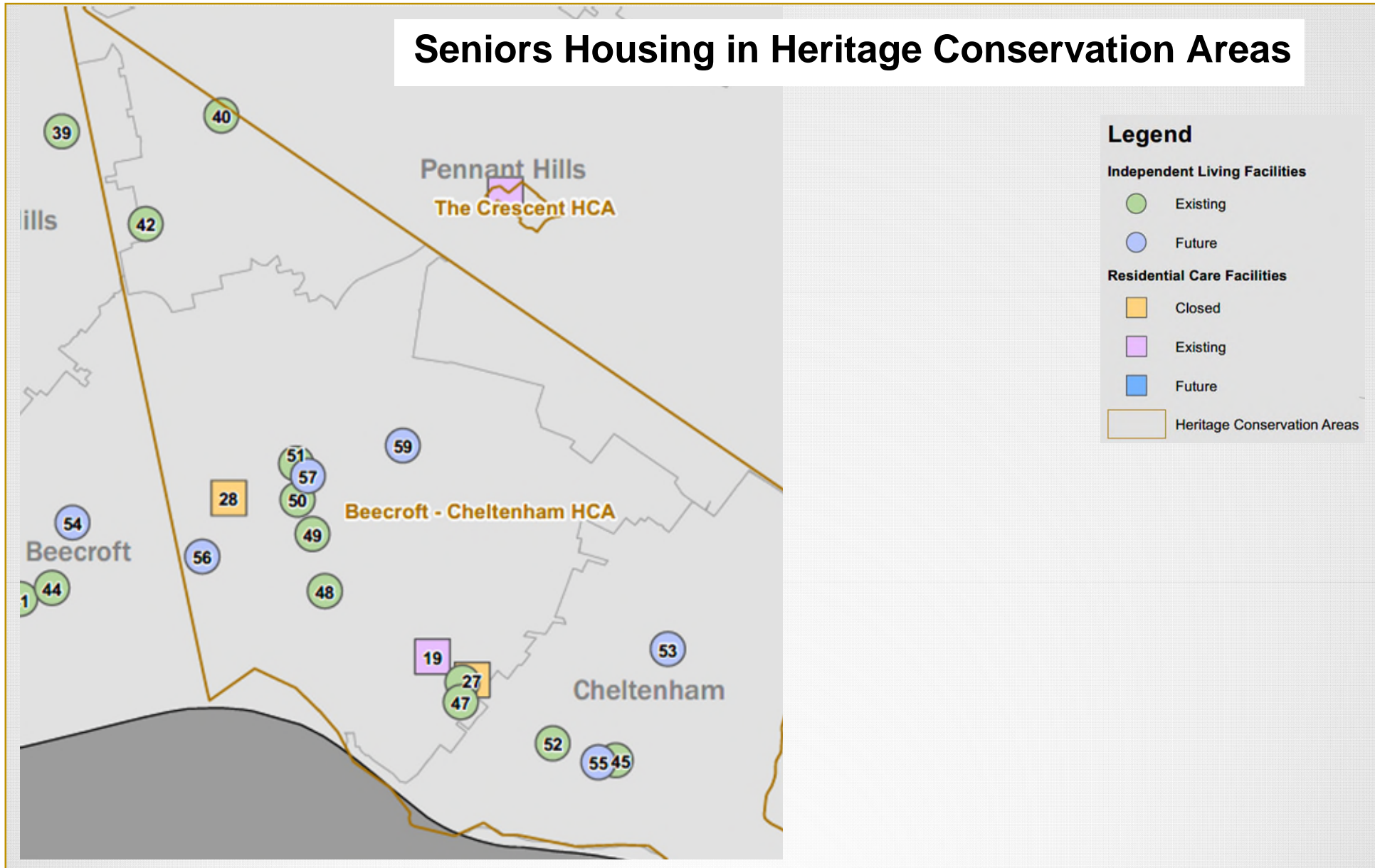
Council has requested an extension of the temporary moratorium beyond 1 July 2020. To date, no response has been received.

Council is aware that several existing residential care facilities within HCAs are seeking to redevelop and it is important to ensure that future policy decisions reflect a clear evidence base. Further, Council is commencing a comprehensive heritage study, which would provide further evidence to either support a continued moratorium of the Seniors SEPP in HCAs or identify the circumstances where seniors housing may be supported.

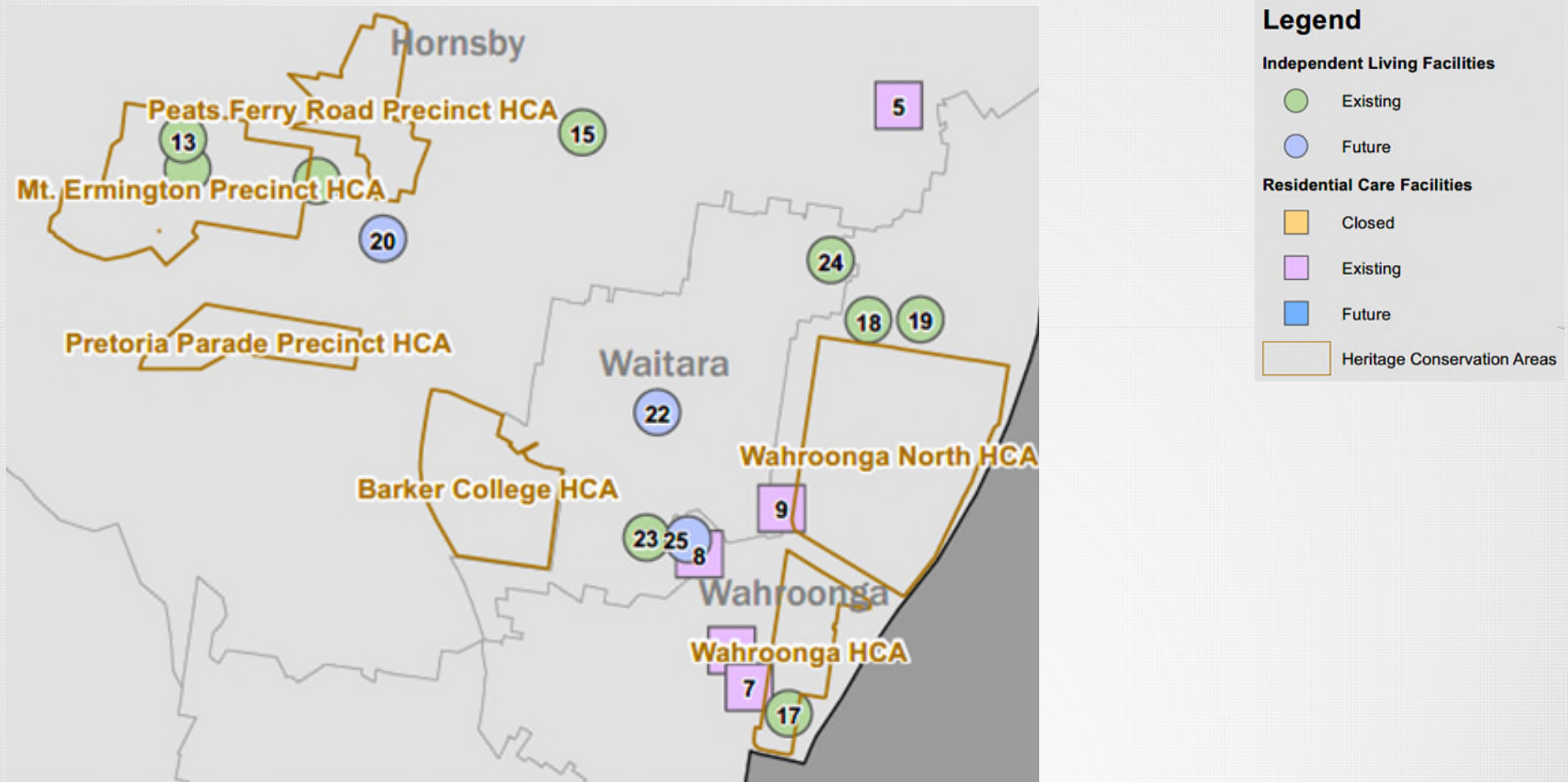
Preliminary advice from Council's Heritage Advisory Committee as to the heritage considerations for seniors housing in HCAs include the following principles:

- Compliance with the Character Statement of the HCA
- Avoid dominant driveways
- Increased landscaping and setbacks
- Lower permitted density
- Detached dwellings with attached individual garage and/or carport
- Avoid apartment style developments

Seniors Housing in Heritage Conservation Areas



Seniors Housing in Heritage Conservation Areas



Seniors Independent Living

Existing



Future

No. on Map	Location	Suburb
13	Camellia Court Self Care Units, 47-49 Dural St	Hornsby
14	Uniting Karinya, 1A Fredrick St or 22A William St	Hornsby
16	7-9 Silvia St	Hornsby
17	St Ermes Court, 5-7 Isis St	Wahroonga
27	Flinders Village 284 David Rd,	Castle Hill
32	Uniting Bowden Brae, 9 Jasmine Rd	Normanhurst
39	Uniting Mawarra, 3A Verney Dr or 70 Victoria Rd	West P/Hills
40	Lutanda 14 Victoria Rd or 53-119 Boundary Rd	P/Hills
45	186 Beecroft Rd	Cheltenham
46	142-142A Beecroft Rd	Beecroft
47	14A-16 Murray St Beecroft	Beecroft
48	Beecroft Retirement Village, 1 Mary St	Beecroft
49	Copeland Gardens, 129-131 Copeland Rd	Beecroft
50	Uniting Bramley, 7-11 Hannah St	Beecroft
51	64-64A Beecroft Rd	Beecroft
52	168 Beecroft Rd	Cheltenham
56	56 95-97 Copeland Rd and 14 Hull Rd	Beecroft
57	57 68 Beecroft Rd	Beecroft
59	59 6-8 Malton Rd	Beecroft

Seniors Housing in Heritage Conservation Areas

Aged Care

No. on Map	Location	Suburb
7	Opal Netherby Nursing Home, 17 Pacific Hwy	Wahroonga
9	9 Tallwoods Corner, I Myra St	Wahroonga
17	17 Heritage, 2A The Crescent	P/Hills
19	19 Beecroft Nursing Home, 134 Beecroft Rd	Beecroft
27	27 Anglicare Judy Cameron House (previously Chesalon), 146 Beecroft Rd	Beecroft
28	28 Jamieson House, 8 York St or 46 Hannah St	Beecroft



Closed



Existing

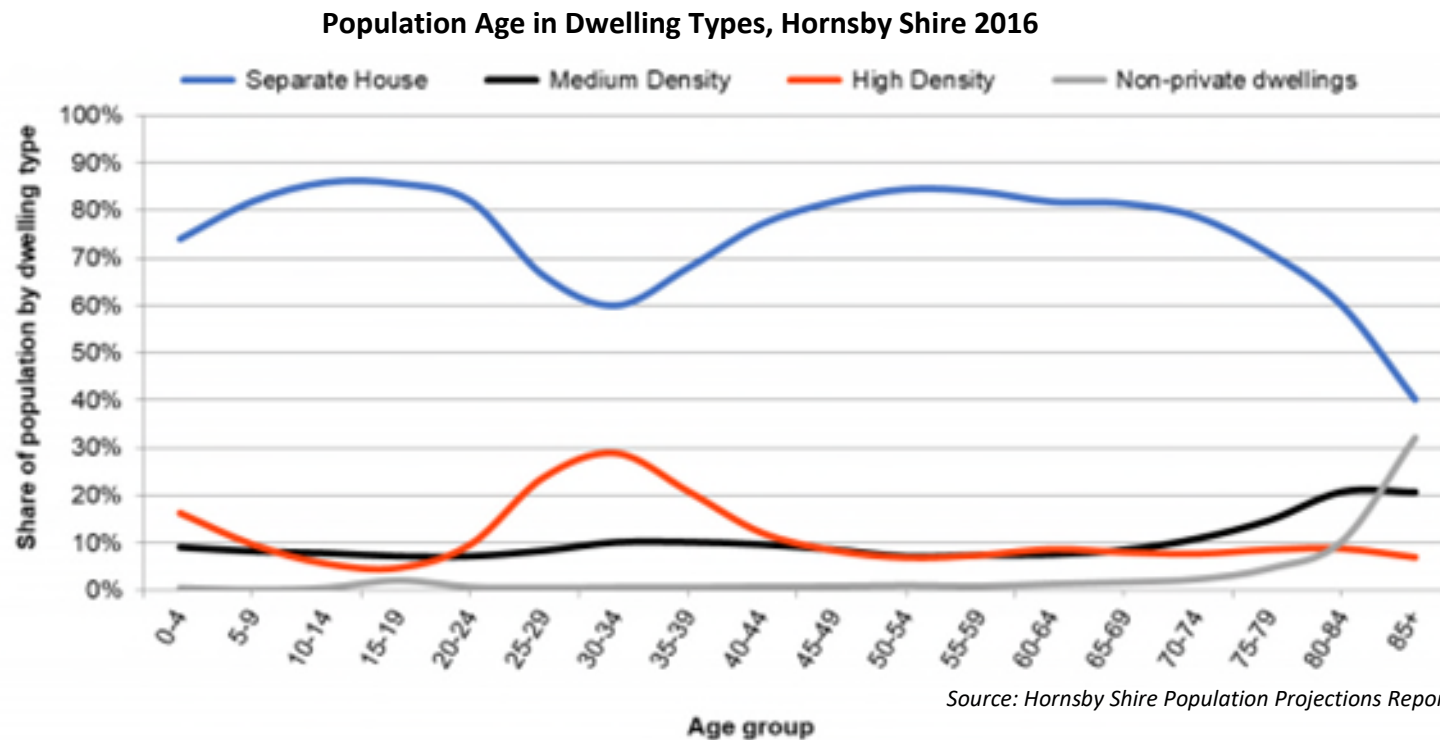


Future

SECTION 6 – HOUSING CHOICE

Housing Preferences

In 2016, most people aged 65-75 in Hornsby Shire lived in a separate house (around 80%). By age 80, this declined to 60%, at which age there is a correlative rise in alternative dwelling occupancy (medium density 20%, high density 10% and non-private dwellings (RACF) 10%)¹⁵.



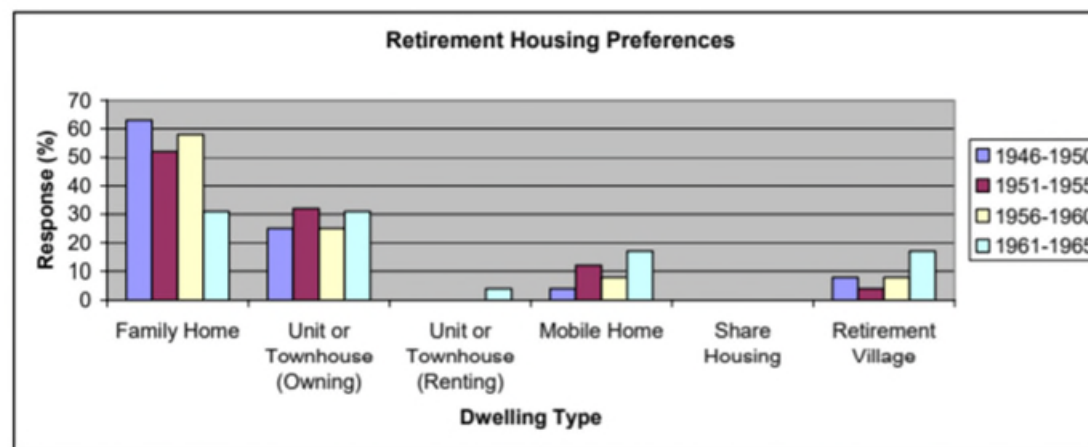
¹⁵ Hornsby Shire Population Projections Report, .id the population experts, 2019.

Demand for Housing Choice

Baby Boomers (people born 1946-1965) began to retire around 2011 and are considered culturally and financially distinctive from the senior population born prior to 1946.

Boomers form a substantial population 'bulge' (20% of the overall Australian population in 2019) but they are creating demand for new types of accommodation, along with having a greater capacity to pay for these services¹⁶.

Studies indicate that older Australians are increasingly seeking a single level house smaller and more convenient than the family house but bigger than a granny flat or retirement village accommodation forms with small gardens or access to a courtyard or balcony¹⁷.



Ref' Kelly Johnson Thesis Population Ageing and Baby Boomers

Source: Extract from: 'Baby boomers housing demands - naivety in terms of retirement and housing for life?' Address by Ms Val O'Toole, National Seniors 11 October, 2005

¹⁶ Report on the Funding and Financing of the Aged Care Industry

¹⁷ Australian Financial Review, 29 June 2018, Demand for detached homes

The City Futures Research Centre¹⁸ identifies the following 6 types of Boomers:

- Age in place: the group that wants to, and is able to, keep living in the family home
- Local adapters: the group that has recently or wants to, and is able to, move out of their current home, but keep living in the same area
- Scene changers: the group that has recently or wants to, and is able to, move out of the current home and area, to somewhere with greater amenity
- Constrained retreat: the group that wants to keep living in their current home, or even the same area, but is forced to make compromises due to financial constraints
- Increased dependency: the group that wants to stay in their current home, but has to make housing or location compromises due to deteriorating health
- Older renters: the group that has reached retirement without purchasing their own home, and will need to retain or find ongoing rental accommodation

The majority of these seniors will not be moving into age-segregated housing.

¹⁸ Understanding housing and location choices of retiring Australians in the 'baby boom' generation, City Futures Research Centre 2012

Downsizing

There are two main reasons¹⁹ that seniors may wish to move from the family home:

- To down-size: mostly reflecting changes to household size;
- To down-price: mostly to release additional funds to support lifestyle choices.

The main barrier is a lack of housing that matches their needs and preferences.

There are also financial reasons, including policy driven financial reasons, that make relocation less desirable. These include transaction barriers -the costs of selling and buying (agent fees, removalist costs and stamp duty) and disincentives to having additional wealth outside housing (for example the transfer of wealth out of housing can impact access to pension support)²⁰.

Another reason that seniors may not downsize or rightsize may be the home care emphasis shift for frail aged as many seniors will be able to stay in their home until end-of-life.

Any reluctance or inability to downsize impacts general housing supply as it reduces separate dwelling family home housing opportunities for younger households.

¹⁹ ²⁰ Understanding housing and location choices of retiring Australians in the 'baby boom' generation, City Futures Research Centre 2012

Key Findings

- Planning for seniors housing has traditionally concentrated on demand and supply of Seniors Independent Living Units and bed spaces in aged care facilities
- However, the majority of Hornsby Shire seniors aged 65+ in 2016 will never live in a form of age segregated 'Seniors Housing' or 'Residential Aged Care Facility'.
- Boomers in particular, which are forming the new wave of seniors in Hornsby Shire, are seeking medium density options where they are now living and where the majority would like to age in place.
- Emphasis needs to shift to planning for the housing needs and preferences of the majority of the projected Hornsby population aged 65+ to 2036.

SECTION 6 – CONCLUSION

The strategic planning framework for the Greater Sydney Region has fundamentally changed since the Seniors SEPP was introduced in 2004. Accordingly, Council has requested an urgent review of the Policy, along with location-specific exemptions from the application of the Seniors SEPP and the opportunity to prepare its own strategy for seniors housing in appropriate locations to best meet the needs of our community.

This Demand and Supply Review indicates that if Council was provided location-specific exemptions for rural areas and heritage conservation areas and the time to prepare its own strategy for seniors housing, it would not be detrimental to supply.

The numbers outlined in this review are based on pipeline assumptions to 2026 and (even without assumptions beyond 2026) indicate that in 2036:

- ***The number of projected RACF beds in Hornsby Shire will exceed the Government's Aged Care Provision Target Ratio by between 386 and 515 beds.***
- ***There will be adequate future provision of Seniors Independent Living Units in Hornsby Shire, exceeding the estimated Australian penetration rate by between 274 and 1,232 dwellings.***

The Government's 'home care' emphasis shift is likely to result in a greater proportion of frail aged persons remaining at home longer – either in a private residence or an independent unit in a Seniors Housing development. The excess supply of seniors housing should provide for the likely extended stays in independent units that 'home care' for frail aged may generate.

However, this Review is not a policy in itself and has not involved a qualitative review. The figures are based on underlying demand (the theoretical need for seniors housing based on demographic projections and government policy) to demonstrate that location-specific exemptions from the application of the Seniors SEPP would not be detrimental to supply.

A separate local Seniors Housing Strategy would be required to be prepared, based on local place-based planning for Hornsby's seniors and people with a disability.

Planning for seniors housing has traditionally concentrated on demand and supply of Seniors Independent Living Units and bed spaces in aged care facilities, however, many Hornsby Shire seniors aged 65+ in 2016 will never live in a form of age segregated housing.

Therefore the preparation of a separate Seniors Housing Strategy would need to closely investigate effective demand (the size, type, levels of care that people are able to access, waiting times, etc), review qualitative aspects of housing supply including the preferences of our residents for locations, types of housing, built form and include input by aged care providers, particularly around the levels of care most needed by our community

Next Steps

It is recommended that:

- This Review be submitted to the Department of Planning, Industry and Environment to support Council's requests concerning the application of the Seniors SEPP and highlight that, should Council be provided location specific exemptions and the opportunity to prepare a local strategy for seniors housing, it would not be detrimental to supply.
- This Review be publicly exhibited to seek community feedback, including input from aged care housing providers within the Shire on the different types and levels of care and what would be required in a local strategy to adequately supply seniors housing, residential aged and other options outside age-segregated seniors living.
- Council consider a further report on the outcomes of the response from DPIE, the community and aged care housing providers and the subsequent preparation of a local Seniors Housing Strategy.

